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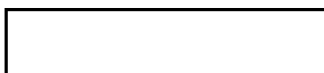
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No. 0562
May 1972

Update of Ecuador Handbook

Please replace the October 1970 edition of the Ecuador Handbook with the attached. Please retain the cover, dividers and map.

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INTRODUCTION

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On 15 February 1972 the armed forces removed President Jose Maria Velasco Ibarra and assumed control of the government. It was Velasco's fourth ouster in five terms as president. Army commander General Guillermo Rodriguez Lara became president with little idea of what policies he would follow. There was no initial opposition to the coup, but Rodriguez may have trouble reconciling the demands of reformers with Ecuador's resources.

Ecuador is one of the poorest and least developed countries in Latin America. The country has basically an agrarian society, with agriculture employing about 55% of the labor force and accounting for about one third of the gross domestic product. Bananas, coffee, and cacao provide 85% of Ecuador's exports. This situation is about to change, however. Petroleum fields in northeastern Ecuador are expected to begin producing this year, and a pipeline is under construction to carry the oil to the coast. Production will more than meet domestic needs and will become an important source of foreign exchange. Ecuadorean expectations may have become inflated, however, and there is certain to be controversy between the government and the foreign companies producing the oil.

About 43% of the estimated population of 6,412,000 is illiterate, and it is estimated that as little as 50% of the population participates in the money economy.

The Ecuadorean armed forces total almost 25,000 men and are untrained for sustained combat. Military equipment is generally in fair condition, but obsolete and not standardized.

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I. GEOGRAPHY

Location

Ecuador is situated on the equator on the northwestern coast of South America between Colombia and Peru and includes the Galapagos Islands 600 miles to the west. The Pacific coastline extends 640 miles and Ecuador claims territorial jurisdiction and fishing rights out to 200 nautical miles from its seacoast.

Area

Including the Galapagos Islands, the country has an area of approximately 106,000 square miles. It is slightly larger than the state of Colorado, and in South America is the third smallest of the independent countries, after Uruguay and Guyana.

Climate

The climate of Ecuador is as diversified as its topography. Temperatures are warm to hot on the coastal and interior lowlands, moderate on the lower slopes of the Andes and on the intermountain basins, and cold at the higher elevations. Quito, at an elevation of 9,246 feet, has an average temperature in the sixties throughout the year. In general, Ecuador is cloudy and humid, with moderate to heavy amounts of precipitation except in some nearly arid coastal areas. Mean monthly precipitation in Quito reaches a high of seven inches in April and a low in July of less than one inch.

Topography

The mainland consists of three distinct topographic regions: a tropical lowland in the east, an irregular belt of plains and hills along the coast in the west, and separating these two areas, a broad band of north-south trending highlands containing volcano-studded mountain ranges that rise to about 13,000 feet in the south and to over 18,000 feet in the north. The ranges enclose a series of elevated basins. The Galapagos Islands are made up of several large and many small, generally arid, volcanic islands and islets.

Natural resources

Ecuador has only a small amount of arable land, most of it in two agriculturally rich areas. The more fertile but less effectively used zone is

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along the Pacific coast. In its central provinces of Los Rios and Guayas, where rainfall is adequate, virtually every type of tropical product can thrive. The other agricultural area is the highlands, where temperate crops and some high-altitude tropical crops are grown.

Large petroleum reserves have been discovered in the northeast. Some estimates suggest that Ecuador eventually could replace Venezuela as a leading oil exporter, although there are conflicting reports about the sulphur content of the Ecuadorean deposits. The oil fields should begin producing in 1972. Small quantities of gold and silver are produced, and an undetermined amount of copper reserves has been found in southern Ecuador.

Forestry is relatively undeveloped. There are vast timber reserves, but these are located primarily in largely unexplored tropical rain forests in the eastern lowland and northern coastal area, where access is difficult.

Abundant off-shore fish resources, mainly tuna and shrimp, support a fast-growing industry that is already overtaking some traditional tropical crops as a foreign exchange earner.

Human resources

The estimated population in January 1972 was 6,412,000, with an annual growth rate of about 3.4%. The infant mortality rate is estimated at 99 per 1,000, and life expectancy is estimated at 55 years for men and 58 for women. Ethnically, about 41% of the population is mestizo, 39% Indian, 10% white, 5% black, and 5% oriental and other. The great majority of the Indians live in the highlands, the whites and mestizos in the provincial capitals and Quito, and almost all of the blacks, mulattoes, and Asians on the coast. There has been a marked migration from rural areas, principally to the provinces of Guayas and Pichincha, where the cities of Guayaquil and Quito are located. The labor force is estimated at two million; about 12% is organized. About 57% of the population is estimated to be literate. Spanish is the official language, but there is a large Quechua-speaking Indian linguistic minority.

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of the export crops—corn, wheat, barley, beans, potatoes, and cassava. The typical farm is five hectares or smaller, adequate at best for subsistence agriculture. Only 2% of the farms have more than 100 hectares, but these occupy 60% of the farm land. Although bananas are the principal export, Ecuador has encountered increasing competition in recent years because of its remoteness from the main markets, poor production and marketing techniques, and a late start in changing over to the new Cavendish variety. These disadvantages, however, are offset by relative freedom from the Panama disease and hurricanes, which devastate competitive areas from time to time.

Foreign exchange earnings from Ecuador's other major agricultural export—coffee—registered a sharp decline in 1971 to \$36 million after reaching \$50 million in 1970. Export earnings from cacao, the third most important export, rose \$3 million in 1971 to \$25 million.

The country has a small but growing fishing industry. Foreign exchange earnings from exports of fish products, mainly tuna and shrimp to the US, rose from \$4 million in 1966 to \$14.6 million in 1971, overtaking sugar in importance as an export product.

Manufacturing is the second most important sector, producing about 17% of GDP, and has been one of the fastest growing sectors of the economy. Food processing, beverages, and textiles are the most important activities.

Ecuador's newly discovered petroleum resources will not only satisfy domestic crude oil needs, but also will enable the country to export about 250,000 barrels per day by mid-1973. Petroleum exports should relieve balance of payments strains, ease chronic budget problems, and help finance new public investment.

In 1970 the mining of metals and minerals accounted for only about 2% of GDP. Small amounts of gold, silver, copper, lead, and zinc are mined. Clay, ocher, salt, construction materials, and sulfur are the only non-metallic minerals produced.

The development of new electric power capacity has lagged behind consumption growth—an average 10% annually in recent years.

Transportation and telecommunications

The transportation and telecommunications systems are minimal and generally of low quality. What facilities exist are almost exclusively in the western half of the country.

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Highways are by far the most important medium of transport, despite the general inferiority of the 12,800-mile network. The road pattern consists essentially of the Pan American Highway, which runs 703 miles from the northern to the southern border, and a number of east-west roads from Pacific ports to various centers in the interior.

The state-owned railroad—710 miles of narrow gauge, single track—is badly managed and in poor condition.

Almost all foreign trade leaves Ecuador by ocean shipping. The Ecuadorean-flag merchant fleet, however, carries only about 6-8% of the volume. The all-diesel-powered fleet is composed of six cargo ships and two tankers. There are 13 ports, one principal, one secondary, and 11 minor. Exporting from Guayaquil, which far exceeds that of all other ports, totals over one million tons a year and consists of bananas, rice, sugar, coffee, cacao, balsa, and Panama hats. The government is planning to set up a shipping company to handle 50% of the petroleum exports.

A well-developed civil air network crosses the rugged terrain between the coastal areas and the population centers of the mountains. Ecuador is linked to most of the major cities of the Americas by regularly scheduled flights both of foreign air carriers and its own two international airlines. Maintenance at civilian airfields is inadequate, although military airfields are generally in good to excellent condition.

The national telecommunication network does not provide adequate service to the government, commercial activities, or the public, and many private firms have had to develop their own systems. Although the open wire network is much more extensive, the growing radio-relay system is assuming increased importance as the primary means of intercity telecommunications. Most of Ecuador's international service was furnished by the All American Cable and Radio Corporation (AACR), a subsidiary of International Telephone and Telegraph. In early 1970, the government nationalized AACR. Nearly all broadcast stations are commercially operated. In 1971 there were about 200 AM stations, 15 FM, and 11 TV stations licensed to operate with an estimated 650,000 radios and 70,000 television sets.

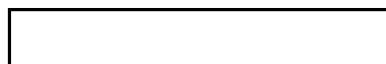
Government economic policy and financial system

The Ecuadorean Government exercises a moderate degree of influence over the economy through public enterprises and various types of controls.

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In 1970 there were over 1,000 autonomous and decentralized agencies. Under the dictatorial powers assumed by President Velasco on 22 June 1970, the government took direct control over some of these agencies in a sweeping effort to modernize the inefficient fiscal structure. Prior to this the central government retained only about two thirds of the revenues it collected, the rest being transferred to these agencies.

Economic policy since the early 1950s has been directed toward the rapid development of the coastal area through public investments in infrastructure, notably highways and port facilities. The rapid growth of banana exports during the 1950s through the mid-1960s raised public sector revenues and provided the financial means to increase government expenditures. Since that time, however, the government's chronic financial difficulties have adversely affected public investment in infrastructure facilities. Shortly after taking office, the finance minister of the Rodriguez government announced that the Velasco administration had left the country's finances in chaos and that another large budget deficit was in prospect unless spending was reduced.

Economic development has relied heavily on private enterprise. Government action has been more direct and effective in stimulating both foreign and private investment in manufacturing than in agriculture.

The banking system consists of the Central Bank, private commercial banks (including mortgage banks and branches of foreign banks), and several specialized banking and credit institutions. Among the specialized institutions are the government-owned National Financial Corporation, the privately owned Ecuadorean Development Finance Company (COFIEC), the National Development Bank, and the Ecuadorean Housing Bank. Ecuador's financial system is rounded out by a group of savings banks, a large number of credit cooperatives, private finance companies, social security funds, and a number of licensed insurance companies.

The development of the economy has been impaired by a lack of a well-developed capital market. Short-term credit is readily available for established firms from commercial banks. The development of institutions for medium- and long-term investment financing, however, has lagged behind the needs of the economy, although some improvement has been made.

Foreign trade and balance of payments

In 1971 Ecuador experienced serious balance-of-payments problems. Although exports rose an estimated 8%, imports increased 11%, resulting in a

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\$40-million foreign trade deficit and strong pressure on foreign exchange reserves. Net foreign exchange reserves declined sharply from \$56 million at the end of 1970 to \$25 million at the close of 1971, the lowest year-end reserve position since 1949. Just before Velasco's ouster, his government successfully concluded negotiations with a consortium of US commercial banks for a \$50-million loan, but the Rodriguez government has been unable to follow through on the deal.

As Ecuador has faced increasingly stiff competition in selling bananas in its traditional markets, the government has turned toward European Communist countries. Ecuador's exports of bananas and other tropical products to the Soviet Union, Bulgaria, East Germany, Hungary, and Romania have been far greater than its imports from those countries. The result has been a steadily growing credit balance with them that totaled \$9.6 million at the beginning of 1971.

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III. POLITICAL SITUATION AND TRENDS

Historical background

Ecuador became independent in 1822 and for eight years joined its two northern neighbors, Colombia and Venezuela, in the Confederation of Gran Colombia. Independence brought few changes in the economic and social structure imposed by Spain, however, and Ecuador continued to be ruled by a small white minority. Political turmoil has marked Ecuador's republican period, with regional and personal rivalries, rather than issues, providing diversity within the ruling elite. The greatest single force in politics has been the succession of strong leaders, or caudillos, and political movements have proliferated around their personalities. The armed forces have frequently been used in the competition for political power. Due in part to this historical background, Ecuador has failed to develop apolitical and fully professional armed forces, to build proper regard for legality and constitutionalism, or to establish strong political institutions.

Structure and functioning of governmental system

When the armed forces took power in February 1972, President Rodriguez announced the reinstitution of the Constitution of 1945. This document was drawn up under leftist auspices and gives the legislative branch relatively strong power. Under the present government, a three-member government council is supposed to exercise legislative power, but Rodriguez has generally ignored the council. President Rodriguez exercises executive power with the advice of a cabinet composed primarily of military men. Government decisions are announced by decree over Rodriguez' signature.

The Supreme Court supervises the judicial system. At the lower levels of the judiciary bribery is routine, and at higher levels political influence is keenly felt. Nevertheless, the legal profession is highly respected, and the opinions of the higher court judges in most cases carry much weight. In March 1972 the judicial system was reorganized; other changes are expected by the end of the year.

Ecuador is administratively divided into provinces, cantons, and parishes, each headed by a presidential appointee. Municipal councils, especially in provincial capitals, have been relatively strong institutions, and their semiautonomous status has been a major factor in orderly government on the local level.

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Political dynamics

Political activity remains the preserve of an educated elite consisting of roughly 10% of the population. Within this political arena, the most important single factor has been the cult of the leaders' personalities. Most parties were formed for the express purpose of furthering the political ambitions of a particular leader. This has led to a multiplicity of parties but a scarcity of programs for furthering popular aspirations. Regional rivalry between the coastal and highland areas continues to restrain the development of nationally organized parties.

The most striking example of the leader personality during the past 35 years has been Jose Maria Velasco Ibarra, who has been ousted from the presidency four of the five times he has held the office. Velasco's charismatic appeal has been able to cut across social, economic, party, and class distinction,

Political parties—The only non-Communist political parties in Ecuador not consistently and directly linked to the political ambitions of one man are the two traditional parties, the Conservative and the Radical Liberal. Both were founded in the 19th century and tend to represent the highlands and the coastal areas respectively. Political parties did not oppose the coup of February 1972.

Ecuador's principal political problem remains the lack of a broad electorate with enough sophistication to want and to recognize rational political leadership dedicated to improving the general material well-being. Although the size of the electorate is growing, the country remains under the control of a white, elite oligarchy with well over half of the population functionally disenfranchised by cultural and economic barriers.

Security system

The police have been generally effective in urban areas and capable of identifying and locating developing insurgent elements and their activities there. The rural police, however, because of lack of manpower and weak intelligence operations, could not control any guerrilla activities that might appear.

President Velasco undertook an expansion and upgrading of the police force. Even so, corruption continues, and the police force still lacks cohesion and effectiveness.

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IV. SUBVERSION

Political instability has been fostered by social, political, and economic differences and long-standing rivalries and jealousies between residents of the coast and those of the capital city of Quito. Economic problems, based on the failure of Ecuador's many governments to deal with widespread poverty, illiteracy, and primitive living conditions, add to the instability. Segments of the largely mestizo middle class, dissatisfied with the slow pace of economic development and unable to secure employment commensurate with their education and ambitions, are attracted by the "rapid solutions through revolution" espoused by some political extremists.

There are numerous leftist subversive groups, but they are small and divided and lack the leadership that would give them either a substantial political influence or the capability to overthrow the government by force. These include the two major Communist parties--the soft-line Communist Party of Ecuador (PCE), which follows Moscow's direction, and the smaller hard-line Communist Party of Ecuador Marxist/Leninist (PCE/ML), which favors violent overthrow of the government. There are also the small Revolutionary Socialist Party of Ecuador (PSRE), which tends to favor a Cuban-style revolution, the small Socialist Party of Ecuador (PSE), and the Movement of the Revolutionary Left (MIR). Although technically illegal, these parties have been allowed relative freedom of operation since 1966.

The Communists have had some success in penetrating such target groups as organized labor and student movements. The Communists have been able to capture the leadership of such organizations as the Confederation of Ecuadorean Workers (CTE), the Federation of Ecuadorean University Students (FEUE), and the Federation of Ecuadorean Secondary Students (PESE), but they have usually been unsuccessful in involving these organizations in situations that lack broad popular support.

Subversion leading to the overthrow of the regime has been an historic part of Ecuadorean political life. Most political leaders are forced by circumstances at least to consider subversion as a method for achieving office. In the process, non-Communist politicians often have formed alliances of convenience with extremist elements and professional revolutionaries.

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VI. ARMED FORCES

Organization and manpower

The armed forces of Ecuador consist of an army of about 20,000 men, a navy of 1,600 men and 6 patrol ships, and an air force of 1,655 men and 23 jet aircraft.

The missions of the armed forces are to maintain internal security, defend the nation from aggression, and support civic action projects. The armed forces are capable of maintaining internal security in urban areas. They are not capable of defending against external attack, waging aggressive war, or combating guerrillas on a large scale.

There are no paramilitary forces capable of contributing substantially to army ground combat strength. The National Civil Police, numbering slightly over 6,000, is subordinate to the minister of government. The police receive training and equipment from the US.

The military budget for the fiscal year ending 31 December 1971 was \$22.9 million, about 11% of the total budget.

Logistics

The armed forces have a heterogeneous collection of European and US equipment in fair condition, considering its age. Weapons are well maintained. Vehicle maintenance varies from excellent to poor, and vehicles are too few and too widely dispersed to add significantly to the mobility of infantry units.

Defense agreements

Ecuador is a member of the Inter-American Defense Board and a signatory of the Rio Pact, which provides for collective support of American countries threatened by aggression. An Israeli military assistance team advises on agrarian training within the military establishment.

Training

The armed forces lack the training for sustained combat. Numerous Ecuadorean military personnel have attended service schools in the US.

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Army and Navy line officers are products of their respective service academies, where academic standards are generally high. Air Force officers often graduate from the Army Academy, the Naval Academy, or the universities and then attend flying school. Only one out of ten conscripts has completed the third grade because of limited educational facilities. Selected officers have been trained in the US and the Panama Canal Zone, as well as in Brazil, Venezuela, Chile, Argentina, Spain, and West Germany.

Now that the armed forces have seized control of the government, they are trying to expand their expertise in economic and social sciences. Even before the coup, several officers had been sent abroad for training in petroleum matters to enable the military to keep track of petroleum operations. This trend is expected to continue.

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VII. FOREIGN RELATIONS

Ecuadorean foreign policy has centered historically on boundary problems arising from the lack of clearly defined frontiers. The major preoccupation has been with Peru, largely because of Ecuador's frustrated longing to realize its claims, based on colonial Spanish territorial divisions, to a portion of the upper Amazon Basin.

Efforts to find a diplomatic solution foundered on Ecuador's unrealistic demand for jungle territory that it had never actually controlled and on Peru's unwillingness to yield anything it had occupied. In July 1941, Peru invaded El Oro Province on the Gulf of Guayaquil. Aware that its own armed forces were no match for the Peruvians, Ecuador, in order to secure the withdrawal of Peruvian forces from occupied provinces and to avert further encroachments, reluctantly accepted a settlement—the Rio Protocol—at Rio de Janeiro on 29 January 1942, to be guaranteed by Argentina, Brazil, Chile, and the US. Although the Rio Protocol looked to the drawing of a specific boundary, Ecuador has sought to keep its basic claim open. The anniversary of the protocol has often been the occasion for demonstrations.

The most intractable problem with the US results from Ecuador's efforts to claim and enforce a 200-mile limit in its territorial waters. Ecuador, along with Peru and Chile, considers these waters valuable to its fishing industry and wants to ensure that this resource is not exploited by other maritime nations. As a result, sizable numbers of foreign fishing vessels—mostly US—are seized and fined each year, usually leading to protests by the US. Ecuadoreans believe that Washington's policy of reimbursing US fishermen for fines paid to Ecuador for these violations only encourages further flouting of the law. US legislation requires that foreign military sales be suspended for one year following such seizures, and this action has strained relations between the two countries.

President Velasco's government established closer diplomatic relations with the Soviet Union and several Eastern European countries. During 1969 Velasco re-established or re-activated diplomatic relations with the USSR, Poland, Czechoslovakia, Romania, and Yugoslavia. Consular relations with Bulgaria were established in July 1969, and diplomatic relations with Hungary were formalized in January 1970. In most cases, ambassadors have not yet been exchanged, and the Polish and Romanian ambassadors in Caracas are accredited to Quito. All these countries already have or, like East Germany, plan soon to open trade missions or consulates in Quito. In 1972 Ecuador broke diplomatic relations with Nationalist China, but no formal ties have been established with Peking.

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**VIII. US INTERESTS**

The primary US economic interest in Ecuador is the large private investment in the petroleum fields in the east. At mid-1972 this investment totaled about \$300 million, mostly by the Texaco-Gulf consortium. Part of this investment is in a 300-mile pipeline from the oil fields to Esmeraldas, where a deep-water port and crude oil storage facilities are being constructed.

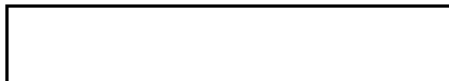
The US provides about one third of Ecuadorean imports, but the proportion is falling steadily. Japan, Canada, and Western Europe are all improving their positions in the Ecuadorean market, and are taking an increased share of direct investment.

Between 1946 and 1970, the US provided Ecuador \$287 million in economic aid—\$192 million in loans and \$95 million in grants. In the same period, US military assistance amounted to \$54 million.

US military commitments to Ecuador are those covered by the general inter-American agreements, including the Rio de Janeiro Pact of 1947 and the Inter-American Treaty of reciprocal military assistance.

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IX. CHRONOLOGY AND TABULAR DATA**Chronology of Key Events**

- 1941 (July-August) Ecuador suffers humiliating military defeat by Peru in border war.
- 1942 (29 January) Protocol signed at Rio de Janeiro defining the disputed borders with Peru and providing for their definitive demarcation under the guarantee of Chile, Argentina, Brazil, and the United States.
- 1944 (May) Coup returns Jose Maria Velasco Ibarra to power.
- 1946 (December) New constitution promulgated.
- 1947 (August) Velasco ousted by military coup.
- (September) Carlos Julio Arosemena declared interim president by Congress.
- 1948 (June) Galo Plaza Lasso, candidate of an ad hoc political coalition, elected president in one of the country's rare fair national elections.
- 1952 (June) Velasco Ibarra, candidate of the National Velasquista Movement, elected president; first transfer of power by an elected president to an elected successor in more than three decades.
- 1956 (June) Camilo Ponce Enriquez elected president; the first Conservative elected to the office in 60 years.
- 1960 (June) Velasco Ibarra elected president for fourth time.
- 1961 (November) Velasco ousted by popular and military action; replaced by leftist vice president Carlos Julio Arosemena (son of previous president with same name).
- 1963 (July) Arosemena—[redacted] lenient toward Communists—ousted by armed forces; military junta takes power.

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- 1966 (30 March) Junta resigns following widespread agitation by politicians, students and vested business interests; Clemente Yerovi Indaburu named interim president.
(15 October) Direct popular elections held for 79-man constituent assembly.
(16 November) Otto Arosemena Gomez elected interim constitutional president by constituent assembly.
- 1967 New constitution adopted: Arosemena term extended to 1 September 1968; national elections scheduled.
- 1968 (2 June) Jose Maria Velasco Ibarra elected in close three-way presidential race. Bicameral legislature also elected: nearly equally divided among Velasquistas, center-left coalition, and center-right coalition.
(1 September) Jose Maria Velasco Ibarra becomes president for fifth time in final phase of full return to constitutional government.
- 1970 (22 June) President Velasco assumes extra-constitutional power in face of continuing financial crisis and student disorders. Congress closed and modified version of 1946 constitution re-imposed.
- 1972 (15 February) President Velasco again ousted by military coup; army commander General Guillermo Rodriguez Lara becomes president.

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TABULAR DATA**Holidays and Significant Dates**

29 January	Rio Protocol Day
1 May	Labor Day
24 July	Birthday of Simon Bolivar
10 August	Quito Independence Day
9 October	Guayaquil Independence Day

Selected Factual Data**LAND**

106,000 sq. mi., including Galapagos Islands; 11% cultivated; 8% meadows and pastures; 55% forested; 26% waste, urban, or other (1961)
Claimed limits of territorial waters: 200 n.m.

PEOPLE

Population: 6,412,000 (Jan. 1972 est.) (excluding nomadic Indian tribes); males 15 to 49, 1,494,000; 955,000 fit for military service; average number reaching military age (20) annually 63,000

Ethnic divisions: 41% mestizo, 39% Indian, 10% white, 5% Negro, 5% oriental and other

Religion: 95% Roman Catholic (majority nonpracticing), trace of Evangelical

Languages: Spanish, Quechua

Literacy: 57%

Labor force: 2 million, of which 55% agriculture, 16% manufacturing, 4% construction, 7% trade, 9% services, 9% other; shortage of skilled labor

Organized labor: 12% of labor force

GOVERNMENT

Legal name: Republic of Ecuador

Capital: Quito

Political subdivisions: 19 provinces and one territory (Galapagos Islands)

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Type: unitary republic

Legal system: based on civil law system; modified 1945 constitution replaced 1946 constitution in February 1972; legal education at four state and two private universities; has not accepted compulsory ICJ jurisdiction

Branches: President and government council assumed power by coup in February 1972.

Government leader: President Guillermo Rodriguez Lara

Political parties: National Velasquista Front, Radical Liberal Party, Social Christian Party, Conservative Party, Concentration of Popular Forces, National Revolutionary Party, Communist Party

Voting strength: in June 1968 national elections, Velasquistas, a center-left coalition, and a rightist coalition each got approximately one third

Communists: 500 in three parties plus 400 in pro-Castro Revolutionary Socialist Party, 400 youth, 3,000 sympathizers

Member of: UN (ECOSOC, IAEA), OAS, IADB, LAFTA and Andean Sub-Regional Group (formed in May 1969 within LAFTA)

ECONOMY

GNP: \$2.8 billion (est. 1970), \$460 per capita; 86% consumption, 14% gross investment (est. 1970); 1971 real growth rate est. 6%

Agriculture: main crops—sugar cane, beans, coffee, cotton, corn, bananas, cocoa, rice; nearly self-sufficient; caloric intake, 2,100 calories per day per capita (1964)

Major industries: food processing, textiles, cement, leather and rubber products, drugs, fishing, petroleum

Electric power: 270,000 kw. capacity (1970 est.); 950 million kw.-hr. produced (1970); 160 kw.-hr. per capita

Exports: \$235 million (f.o.b., 1971 est.); bananas, coffee, cacao

Imports: \$275 million; agricultural and industrial machinery, petroleum products, chemical products, transportation and communication equipment

Major trade partners: US, 37%; EC, 22%; Japan, 14% (1970)

Aid: Economic—extensions from US (FY46-70), \$192 million loans, \$95.2 million grants; from international organizations (FY46-70), \$152.4 million; from Communist countries (1954-70), \$15.4 million loans

Military—assistance from US (FY49-70), \$53.6 million

Monetary conversion rate: 25.25 sucres=US\$1 (official selling rate)

Fiscal year: calendar year

COMMUNICATIONS

Railroads: 710 mi.; 615 mi. 3'6" gauge, 95 mi. 2'5½" gauge; all single track; government owned (1965)

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Highways: 12,800 mi.; 1,800 mi. paved, 4,000 mi. gravel, 3,800 mi. improved earth, 3,200 mi. unimproved earth
Inland waterways: 960 mi.
Pipelines: crude oil, 300 mi.; refined products, 50 mi.
Ports: 2 principal, 11 minor
Merchant marine: 8 ships (1,000 GRT or over) totaling 40,100 GRT, 48,600 DWT; includes 6 cargo, 2 tanker
Civil air: 14 major transport aircraft
Airfields: 187 total, 161 usable; 14 with permanent-surface runways; 6 with runways 8,000-11,999 ft.; 16 with runways 4,000-7,999 ft.; 3 seaplane stations
Telecommunications: expanding radio relay system, facilities adequate only in Quito and Guayaquil; 95,000 telephones; 650,000 radio and 70,000 TV receivers, 200 AM, 15 FM, and 11 TV stations

DEFENSE FORCES

Personnel: army about 20,000, navy 3,000 (including 425-450 marines), air force 1,655 (101 pilots)
Major ground units: 6 divisions, 5 separate battalions
Ships: 2 patrol escorts (plus 1 inactive), 7 other patrol ships and craft, 3 amphibious warfare ships, 3 auxiliaries, 10 service craft
Aircraft: 79 (22 jet) in air force, 3 (prop) in navy, 8 (prop) in army
Supply: dependent primarily on US; some major purchases from Western Europe
Military budget: for fiscal year ending 31 December 1971, \$22.9 million (about 11.3% of national budget)

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